



Transmitted via e-mail

February 27, 2017

Mr. Robert Nelson, Assistant Director of Administration
California Office of Traffic Safety
2208 Kausen Drive, Suite 300
Elk Grove, CA 95758

Dear Mr. Nelson:

Final Report—City of Rancho Cordova, Traffic Safety Grant Audit

The California Department of Finance, Office of State Audits and Evaluations, has completed its audit of the City of Rancho Cordova's (City) grant OP1312, issued by the California Office of Traffic Safety.

The enclosed report is for your information and use. The City's response to the report findings are incorporated into this final report. The City agreed with our finding and we appreciate its willingness to implement corrective actions. This report will be placed on our website.

We appreciate the assistance and cooperation of the City of Rancho Cordova. If you have any questions regarding this report, please contact Kimberly Tarvin, Manager, at (916) 322-2985.

Sincerely,

Original signed by:

Jennifer Whitaker, Chief
Office of State Audits and Evaluations

Enclosure

cc: Mr. David Doucette, Assistant Director of Operations, California Office of Traffic Safety
Mr. Randy Weissman, Chief Deputy of Operations, California Office of Traffic Safety
Ms. Trina Nguyen, Associate Accounting Analyst, California Office of Traffic Safety
Ms. Kim Juran-Karageorgiou, Chief Financial Officer, City of Rancho Cordova
Ms. Liisa Behrends, Senior Accounting Officer, City of Rancho Cordova
Ms. Michelle Mingay, Senior Financial Analyst, City of Rancho Cordova

City of Rancho Cordova
Selecting Traffic Enforcement and Multilingual
Child Passenger Safety Program
Grant Agreement OP1312



Source: City of Rancho Cordova website

Prepared By:
Office of State Audits and Evaluations
California Department of Finance

MEMBERS OF THE TEAM

Kimberly Tarvin, CPA
Manager

Staff
Karis Feldkamp
Lakeisha Gulley

Final reports are available on our website at <http://www.dof.ca.gov>

You can contact our office at:

California Department of Finance
Office of State Audits and Evaluations
915 L Street, 6th Floor
Sacramento, CA 95814
(916) 322-2985

BACKGROUND, SCOPE AND METHODOLOGY

BACKGROUND

The California Office of Traffic Safety's (OTS) mission is to effectively and efficiently administer traffic safety grant funds to reduce traffic deaths, injuries, and economic loss. OTS implements its mission by awarding grants to local and state public agencies from several federal funding sources. The ten priority areas of concentration for grant funding include the following: Alcohol-Impaired Driving, Distracted Driving, Drug-Impaired Driving, Occupant Protection, Pedestrian and Bicycle Safety, Traffic Records, Emergency Medical Services, Roadway Safety, Police Traffic Services, and Motorcycle Safety.¹

The City of Rancho Cordova (City) received a \$289,000 grant from OTS to reduce alcohol-involved fatalities and injuries through driving under the influence (DUI)/driver license checkpoints and DUI saturation patrols. In addition, develop a "Hot Sheet" program designed to identify repeat DUI offenders with a suspended or revoked license. Further, increase seat belt and car seat compliance for multilingual communities in Sacramento County through car seat inspections and training.

SCOPE

In accordance with an interagency agreement, the California Department of Finance, Office of State Audits and Evaluations, audited grant agreement OP1312 for the period October 1, 2012 through September 30, 2013.

The audit objectives were to determine whether the City's grant expenditures claimed were in compliance with the grant requirements; and whether the grant accomplishments were accurately reported in the Final Quarterly Performance Report (QPR). We did not assess the efficiency or effectiveness of program operations.

The City's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. OTS is responsible for the state-level administration of the grant program.

¹ Excerpts from www.OTS.ca.gov.

METHODOLOGY

To determine whether grant expenditures were in compliance with the grant requirements; and whether the grant accomplishments were accurately reported in the Final QPR, we performed the following procedures:

- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed the City's accounting records and support for subcontractor invoices including vendor invoices and payroll documents.
- Selected a sample of claimed expenditures and determined whether they were allowable, grant-related, incurred within the grant period, and supported by accounting records.
- Evaluated whether other revenue sources were used to reimburse expenditures claimed for reimbursement under the grant agreement.
- Evaluated whether a sample of grant accomplishments were accurately reported in the Final QPR by reviewing traffic enforcement documentation, personnel payroll records, vendor invoices, training attendance rosters, and other supporting documentation.

In conducting our audit, we obtained an understanding of the City's internal controls, including any information systems controls that we considered significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during the audit and determined to be significant within the context of our audit objectives are included in this report.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The grant expenditures claimed complied with the grant agreement requirements. The Schedule of Claimed Amounts is presented below.

Schedule of Claimed Amounts

Grant Agreement OP1312	
Category	Claimed ¹
Personnel Costs	\$ 87,519
Travel Expenses	2,320
Contractual Services	103,500
Equipment	29,952
Other Direct Costs	22,914
Total Expenditures	\$ 246,205

However, the Final QPR is not accurate. We selected 5 of the 32 grant objectives to verify reporting accuracy. As discussed in Finding 1, we noted discrepancies for 3 of the 5 objectives reviewed.²

Finding 1: Final Quarterly Performance Report Is Not Accurate

The City inaccurately reported grant accomplishments for Objectives 17, 19, and 21 in the Final QPR as follows:

- Objective 17: The City underreported the results of the 4 traffic enforcement operations conducted during October 1, 2012 through December 31, 2012. Specifically, the City reported 38 citations issued and 2 vehicles impounded. However, the Traffic Unit Citation Report indicated that 39 citations were issued and 2 vehicles were impounded. Further, the majority of traffic enforcement operations were not performed on an overtime basis as required by the grant agreement. Grant agreement OP1312, Schedule B-1, indicates that traffic enforcement operations will be conducted on an overtime basis.³
- Objective 19: The City underreported the number of caregivers attending the two-hour child passenger safety education classes during July 1, 2013 through September 30, 2013. Specifically, the City reported 78 caregivers attended the classes during this period, but the attendance rosters indicated 116 caregivers attended the classes.

¹ OTS awarded \$289,000 and the grantee claimed \$246,205.

² We reviewed the accomplishment reporting for Objectives 17, 19, 21, 28, and 31 in the Final QPR. The Objectives reported in the Final QPR were renumbered by the City to reflect the removal of four objectives listed in the grant agreement that did not require the City to perform any grant activities.

³ The City did not claim reimbursement for any costs related to the Objective 17 accomplishments reported for the period October 1, 2012 through December 31, 2012.

- Objective 21: The City over reported the attendees for the State Farm Reunion Technician Update Course held on May 7, 2013. The City reported that 80 technicians attended the course, but the Class Roster documentation only supports that 67 technicians attended.

The OTS Grant Manual, section 7.2 indicates that the QPR is the main source of information used to determine grant success and commitment. As such, the accuracy of the Final QPR is critical for OTS to determine whether the goals and objectives of the grant were achieved.

Recommendations:

For future grants, the City should:

- A. Implement controls to include the verification of information before it is reported in the QPRs.
- B. Ensure traffic enforcement operations are conducted on an overtime basis when required by the grant agreement.

February 15, 2017

Ms. Jennifer Whitaker, Chief
Office of State Audits and Evaluations
Department of Finance
915 L Street
Sacramento, CA. 95814-3706

**City of Rancho Cordova, Traffic Safety Grant Audit
City Response to Draft Audit Report for Grant Agreement OP1312**

Finding 1: Final Quarterly Performance Report is not Accurate

The City inaccurately reported grant accomplishments for Objectives 17, 19 and 21 in the Final QPR as follows:

- Objective 17: The City underreported the results of the 4 traffic enforcement operations conducted during October 1, 2012 through December 31, 2012. Specifically, the City reported 38 citations issued and 2 vehicles impounded. However, the Traffic Unit Citation Report indicated that 39 citations were issued and 2 vehicles were impounded. Further, the majority of traffic enforcement operations were not performed on an overtime basis as required by the grant agreement. Grant agreement OP1312, Schedule B-1, indicates that traffic enforcement operations will be conducted on an overtime basis.

Response: The error in reporting the correct results of the 4 traffic enforcement operations was an oversight. The City will implement steps to ensure accuracy in reporting on future grant activities. Additionally, while Schedule B-1 does clearly indicate the grant funding is for overtime funded law enforcement operations, and which positions may conduct those operations, it does not specially state traffic enforcement operations must be conducted on an overtime basis. In an effort to meet all of the objectives of the grant, the City did conduct traffic enforcement operations on regular time but the City did not submit the cost associated with these operations for grant reimbursement.

- Objective 19: The City underreported the number of caregivers attending the two-hour child passenger safety education classes during July 1, 2013 through September 30, 2013. Specifically, the City reported 78 caregivers attended the classes during this period, but the attendance rosters indicated 116 caregivers attended the classes.

Response: The City agrees with the finding 2 regarding Objective 19, the number of caregivers attending the two-hour child passenger safety education class was underreported. Again, the City will implement steps to verify information included in

quarterly performance reports before it is reported.

- Objective 21: The City over reported the attendees for the State Farm Reunion Technician Update Course held on May 7, 2013. The City reported that 80 technicians attended the course, but the Class Roster documentation only supports that 67 technicians attended.

Response: The attendees of the State Farm Reunion Technician Update Course were hand tabulated but not cross checked against the class roster. In the future, the City will use the class roster to report total attendees rather than a hand tabulation of people present at the class.

Thank you for the opportunity to review and respond to the audit findings. If you have any questions or need any further information, please contact Michelle Mingay, Sr. Finance Analyst, at 916-851-8738 or via e-mail at mmingay@cityoffranchocordova.org.

Sincerely,

Original Signed by

Kim Juran-Karageorgiou
Chief Financial Officer

cc: Mr. Robert Nelson, Assistant Director of Administration, California Office of Traffic Safety
Mr. David Doucette, Assistant Director of Operations, California Office of Traffic Safety
Mr. Randy Weissman, Chief Director of Operations, California Office of Traffic Safety
Ms. Trina Nguyen, Associate Accounting Analyst, California Office of Traffic Safety